



Rural Development

August 23, 2016

SENT THIS DATE VIA EMAIL

Area Office

420 S State Road 7,
Suite 166
Royal Palm Beach, FL
33414

Housing Authority of the City of Belle Glade
Attn: Alan Sullivan, Executive Director
1204 NW Avenue L
Belle Glade, FL 33430

Voice 561.792.2727
Fax 855.474.4827

Re: Belle Glade Housing Authority – Okeechobee/Osceola Center
Physical Inspection – 7/13/2016

Dear Mr. Sullivan:

The Rural Development staff conducted a Physical Inspection for the referenced property on July 13, 2016. The facility, based upon the information available is not being well maintained and is in **non-compliance** with Rural Development and other applicable regulations and handbooks. To make this easy to follow, we have underlined the items that need to be submitted to the Agency and put the type in bold. However, carefully review the letter as you may need to respond to items that are not underlined and in bold.

This recent Agency monitoring of the subject project indicates that you are not currently meeting your responsibilities under applicable Civil Rights laws and applicable Executive Orders. Since project operating or reserve account funds may be required to address this situation, we request that you advise the Agency of how you intend to comply with the law. In addition to any penalties, liabilities, or loss of tax credits that may result from legal action brought against you by third parties, continued non-compliance may result in your ineligibility to receive further loan funds from the Agency.

The borrower is in **substantial non-compliance** with numerous parts of 7 CFR 3560 and especially 7 CFR 3560.103(a) (3) as indicated by violations noted below. The borrower is not operating the project in accordance with the Management Plan and 7 CFR 3560. We have also determined the borrower is in **non-compliance** with 7 CFR 15b, Section 504 of the Rehabilitation Act of 1973, and The Uniform Federal Accessibility Standards (UFAS) in regards to accessibility issues.

The report consists of three parts:

- Part I: List of "Outstanding Findings" and/or Servicing Efforts
- Part II: Review of the Project Management and Occupancy
- Part III: Physical Inspection of the Property

Part I: List of "Outstanding Findings" and/or Servicing Efforts

- Please see the attached report regarding the outstanding findings at the property and the following additional findings:
 - **The Accessibility Transition Plan done by Zeffert & Associates on 11/26/2006 with a completed by date of 9/30/2012 does not address all of the accessibility issues.** Therefore, there are accessibility items that need to be completed and therefore the Agency has found the borrower in **non-compliance** with 7 CFR 15b, Section 504 of the Rehabilitation Act of 1973, and the Uniform Federal Accessibility Standards (UFAS) in regards to accessibility issues. Although not required, we highly recommend that a professional company be hired to provide the self-evaluation and transition plan as violating accessibility laws can be a significant liability. Unfortunately, the violations listed in the accessibility section of this letter were items indicated in the previous transition plan as not being UFAS compliant and were not resolved during the timeframe provided in the transition plan and therefore remain outstanding violations. The accessibility items as listed in this letter may not include all the deficiencies as Rural Development employees are not experts in the field of handicap accessibility. Therefore, it is required that you obtain an updated self-evaluation/transition plan as required by 7 CFR 15b.

Part II: Review of the project management:

- The Affirmative Fair Housing Marketing Plan (AFHMP) was overdue on 4/11/16. A new or updated AFHMP is needed.
- There is a significant number of expired certifications month to month. This is unacceptable and should be corrected immediately.

Part III: Physical Inspection of the Property

7 CFR 3560.103(a)(3) states the following, "At all times, borrowers must maintain housing projects in compliance with local, state and federal laws and regulations and according to the following Agency requirements for affordable, decent, safe, and sanitary housing. Agency design requirements are discussed in §3560.60. The Agency acknowledges that property maintenance is an ongoing process and will not penalize borrowers for less than 100 percent compliance as long as it is evident that the borrower is striving to achieve the standards listed in this paragraph. In addition, the Agency understands that although its multifamily housing portfolio is relatively homogeneous, no one standard is appropriate for all properties."

In addition, 7 CFR 3560.103(a)(4) states the following: "The Agency expects that upon discovery of a condition not in compliance with the standards listed in this section that the borrower will remedy the situation in a timeframe required by the Agency. The Borrower must provide documentation and justification for any failure to meet such timeframe. Properties with deficiencies in the process of being addressed will not be deemed to be out of compliance unless there are so many deficiencies that it would result in a declaration of substantial noncompliance and call into questions the viability of the property and the effectiveness of the borrower's maintenance program. Failure to make such

corrections or repairs constitutes a non-monetary default under 3560.452(e).” As a result of the violations and findings found during the inspection, the Agency has found the borrower and property in substantial noncompliance with 7 CFR 3560.103 and HB-2-3560. The following violations/findings were noted during the physical inspection:

Health and Safety

Osceola Center –

- Unit #2017: Man-made ramp to the entry door of unit is unacceptable.
- Unit #2015/2016: Concrete walkway unleveled, and broken in several pieces
- Unit #2015: Mold in living area; need to be removed
- Unit #2061: Mold in bathroom; need to be removed

Okeechobee Center -

- Unit #1300: Mold on kitchen walls, dining area walls near table and bathroom; need to be removed

Please provide an explanation as to why these safety and health issues have not been resolved as management has been aware of these issues. Issues of health and safety are to be resolved within 10 days in accordance with HB-2-3560.

Osceola Center

Interior Units

Unit 2015 – Gustho Petit-Homme:

- Walls in poor condition; need to be resurfaced and painted
- Kitchen countertops and cabinets in poor condition and should be replaced
- Refrigerator need to be replaced
- Range need to be replaced
- Floors in poor condition (chipped, cracked, peeling, and dirty); need to replace
- Paint bubbling and peeling on ceiling in kitchen
- Blinds need to be replaced
- Mold in living area
- Door casings in poor condition
- Tenant has several freezers stored in living room area

Unit 2017 – Rafael Guiterrez:

- Walls in poor condition; need to be resurfaced and painted
- Man-made ramp to front entrance is unacceptable
- Kitchen countertops and cabinets in poor condition and should be replaced
- Refrigerator need to be replaced
- Floors in poor condition (chipped, cracked, peeling, and dirty); need to replace
- Medicine cabinet need replaced

Unit 2061 – Jose Sanchez:

- Walls in poor condition; need to be resurfaced and painted
- Kitchen countertops, cabinets, and faucet in poor condition and should be replaced
- Floors in poor condition (chipped, cracked, peeling, and dirty); need to replace
- Mold in bathroom

Unit 2062 – Debra Harris:

- Walls in poor condition; need to be resurfaced and painted
- Floors in poor condition (cracked and chipped); need to replace

Unit 2097 – Wilbur Gibbons:

- Walls in poor condition; need to be resurfaced and painted
- Kitchen countertops burned and cabinets in poor condition and should be replaced
- Floors in poor condition (chipped, cracked, peeling, and dirty); need to replace
- Smoke detector does not work
- Ceiling paint bubbling and peeling in various areas

Exterior (General)

- Sidewalks leading to units throughout the project are cracked/chipped/unleveled causing trip hazards
- Trees/bushes are in need of immediate trimming/pruning/removal
- The exterior of many of the units are in need of pressure washing due to mold/mildew, flying insect nests, cob webs, dirt, etc.
- Numerous units are in need of some type of exterior painting
- Many of the parking areas are generally in poor condition and in need of resurfacing
- There is evidence of significant erosion around the perimeter of most buildings
- Landscaping and grounds are generally in poor condition.
- Exterior doors are in extremely poor condition. It is recommended that doors be replaced.
- Debris on roof in numerous locations including branches, leaves, etc.
- Wooden door frames are in poor condition needing to be replaced at many of the units
- It does not appear that any landscaping or storage policy is in place in regards to tenants.
- Multiple parking stops need to be replaced as they are in poor condition

Dwelling Exterior

Unit 2008:

- Beer cans in front lawn; need to be removed
- Broken/rusted grill in front corner of unit; need to be removed

Unit 2012:

- Beer cans in front lawn; need to be removed
- Big tool box and cooler on front porch
- Tire marks in soil from driving vehicle on grass
- Excessive items stored in front of unit

Unit 2013:

- Open container full of motor oil sitting under tree near unit

Unit 2015:

- Refrigerator and sofa in front of unit need to be removed
- Concrete walkway uneven and broken in several pieces in front of unit
- Beer cans in front lawn near tree; need to be removed
- Grass area unacceptable; need to be cut and treated
- Roof need cleaning and debris removed

Unit 2016:

- Concrete walkway graveled rocks in front of unit; need to be leveled
- Nightstand in front of unit; need to be removed

Unit 2017:

- Severe erosion; need fill dirt
- Need stairs built or ramp to safely access front porch
- Man-made ramp to front entrance is unacceptable
- Big tree in front need to be trimmed
- Roof need cleaning and debris removed
- Grass area unacceptable; need to be cut and treated

Unit 2061:

- Front porch light bulb missing; need to be replaced

Unit 2062:

- Building need pressure washed and painted

Unit 2094:

- Chicken coop behind building
- Van parked on lawn
- 2 stoves and a refrigerator in front of unit

Okeechobee Center**Interior (General)**

The day of the inspection, the Agency was not able to perform all of the required units to inspect. This was due to weather conditions, conditions of the units, and time spent with the Housing Authority before the unit inspections.

- Kitchen cabinets and countertops have exceeded their useful life and are generally in poor condition and are in dire need of replacement.
- Bathroom vanities have exceeded their useful life and are generally in poor condition and are in dire need of replacement.
- Bathtubs have exceeded their useful life and are generally in poor condition and are in dire need of replacement.
- Floor covering in most units have exceeded the useful life and are generally in poor condition and are in dire need of replacement.
- Bathroom sinks have exceeded their useful life and are generally in poor condition and are in dire need of replacement.
- Numerous units are in need of painting.
- Maintenance deficiencies corrected very poorly as workmanship is poor.
- Caulking is needed in kitchen and bathrooms
- Interior doors are in poor condition
- Weather stripping is needed around exterior doors
- Sinks and faucets are generally in poor condition and in need of replacement.
- In general the units are in extremely poor condition and in need of substantial rehabilitation.

Interior Units

Unit 1300 – Romeo Smith:

- Walls in poor condition; need to be resurfaced and painted
- Kitchen countertops and cabinets in poor condition and should be replaced
- Doors and frames need replaced
- Holes in doors need repaired or replaced
- Floors in poor condition (chipped, cracked, peeling, and dirty); need to replace
- Ceiling paint bubbling and peeling in various areas
- Mold in bathroom
- Light fixtures in hallway and dining area hanging from ceiling creating a safety hazard

Unit 1302 – Salud Escobedo:

- Light fixture cover missing
- Kitchen cabinets in poor condition and drawers falling apart; should be replaced
- Doors frames rusted and need replaced
- Floors need to be buffed and cleaned
- Bathtub rusted on bottom

Exterior (General)

- Numerous units are in need of some type of exterior painting
- Many of the parking areas are generally in poor condition and in need of resurfacing
- There is evidence of significant erosion around the perimeter of most buildings
- Landscaping and grounds are generally in poor condition.
- Exterior doors are in extremely poor condition. It is recommended that doors be replaced.
- Debris on roof in numerous locations including branches, leaves, etc.
- Wooden door frames are in poor condition needing to be replaced at many of the units
- It does not appear that any landscaping or storage policy is in place in regards to tenants.
- Multiple parking stops need to be replaced as they are in poor condition

- Several cars parked on grass on side of buildings
- Chicken coop behind building
- Car parts, lawn equipment, and appliances stored in front of buildings

Dwelling Exterior

Unit 1302:

- Propane tanks on front porch should be removed
- Truck parked on front lawn should be in a designated parking space

Please address each of the issues for each unit as noted above.

The property has significant deferred maintenance and the required corrective actions have not been taken in a timely manner to address the accessibility items as addressed. It is imperative to note that the deficiencies noted above may not be and are not all inclusive as we only inspected a small sampling of the units. In order to determine the true physical need of the property including health and safety items as well as accessibility items, it is imperative that a capital needs assessment be completed as well as a self-evaluation/transition plan.

In accordance with Paragraph 10.10 of HB-3-3560, "It is not the Agency's responsibility to come up with solutions to the problems. Rather, it is the borrower who must identify where corrective actions will take place immediately or over time through a work-out agreement." Please note that if you intend to submit a work-out agreement, we will require the following be included:

1. Updated capital need assessment (CNA) will need to be submitted to the Agency and be completed in accordance with our regulations, handbooks, and Unnumbered Letters.
2. Proposed budget that will cash flow to meet the needs of the CNA and an increased annual reserve deposit based on the CNA.
3. Annual reserve deposits must be adjusted based on an updated CNA.
4. All deficiencies will need to be addressed and resolved in the work-out agreement which cannot exceed a 2 year period.
5. Quarterly budgets (actuals) will need to be submitted via MINC.
6. Any additional requirements requested by the Agency.

Please refer to Chapter 10 of HB-3-3560 for information regarding work-out agreements. It is important to note that the Agency is questioning the financial viability of this project at the time due to the numerous deferred maintenance items listed in this letter. However, it is imperative that you realize that Rural Development is looking forward to working with the Housing Authority to ensure that the Housing Authority succeeds in providing decent, safe, and sanitary housing to eligible tenants as displayed by our lengthy meeting on July 13, 2016.

Please respond within 30 days of the date of this letter. If you have any questions, please contact this office.

Sincerely,

MICHAEL T. BOTELHO
Area Director

Enclosure

Cc Tim Rogers, MFH Program Director